

CONFIDENTIAL

JOURNAL

OFFICE OF LEGISLATIVE COUNSEL

Wednesday - 25 July 1973

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1. (Internal Use Only - JGO) Received a call from Frank O'Gorman, Administrative Assistant to Representative Joseph McDade (R., Pa.) concerning [REDACTED]

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2. (Confidential - JGO) Met with Frank Slatinshek, Chief Counsel, House Armed Services Committee, who asked if we could give him a rundown [REDACTED]

that can be used by [REDACTED]

I also discussed with Slatinshek the administrative arrangements for Friday's briefing of the Intelligence Subcommittee; the exchange of phone calls with Representative Leggett (D., Calif.) concerning SAT; the listing of documents transmitted by the Agency to Tom C. Huston which was requested by Chairman Nedzi after Huston's testimony before the Subcommittee; and the verbal response given Representative Nedzi earlier concerning the [REDACTED]

I also gave Slatinshek a fact sheet on the sale of Air America and reviewed with him the Speas Study.

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CONFIDENTIAL

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Journal - Office of Legislative Counsel
Wednesday - 25 July 1973

Page 2

25X1A

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3. (Confidential - JGO) Accompanied [REDACTED], OGC, to a meeting with Herb Roback and Charles Goodwin, House Government Operations Committee staff, concerning correspondence received by the Committee from Representative Robert Leggett (D., Calif.) relating to the complaints of [REDACTED] concerning Southern Air Transport. It is Leggett's basic contention that the information furnished Chairman Nedzi, Intelligence Subcommittee of House Armed Services Committee, in a letter from John Maury dated 12 June is at variance with testimony given by [REDACTED] before the Civil Aeronautics Board and that the award of certain Air Force contracts which is scheduled in the next several days should be held up pending review of the matter by the General Accounting Office. After [REDACTED] fairly detailed rundown of the current situation, Roback indicated that he will contact John Perry, of the Air Force, and GAO. He does not feel that this action of Leggett's will have much effect on either Perry or GAO and that the awards probably should be made on schedule. He asked if we could brief him later in the day on the discussions with Mr. Jones, of Representative Jack Brooks' (D., Tex.) staff, on the SAT sale.

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4. (Internal Use Only - JGO) Together with [REDACTED] talked to Herb Roback, House Government Operations Committee staff, and gave him the identification of the 5 March Aviation Daily news item cited by Mr. Jones, of Representative Jack Brooks' (D., Tex.) staff, concerning the SAT sale.

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[REDACTED] gave him a detailed rundown of his various conversations with Jones.

5. (Secret - JGO) Met briefly with Chairman Lucien Nedzi, Intelligence Subcommittee of House Armed Services Committee, and gave him a verbal response to his questions concerning the [REDACTED] I told him the date of the [REDACTED] letter was 5 April 1972; that the letter had been requested by the station chief to document the prior statements made by [REDACTED] but that unfortunately the letter did not contain the flavor or innuendo of the previous verbal reports; and that [REDACTED] had had no personal knowledge of [REDACTED] or his activities and had instructed the station chief after checking with his superior. Nedzi asked if I would give him a short chronology of the major events in the Watergate case during this time period.

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25X1C

25X1C

25X1C

SECRET

SECRET

Journal - Office of Legislative Counsel
Wednesday - 25 July 1973

Page 3

6. (Confidential - JGO) Met with Bill Hogan, Counsel, House Armed Services Committee, and gave him a listing of the information furnished by CIA to Tom C. Huston, of the White House staff. This is in response to Chairman Nedzi's, Intelligence Subcommittee, request which followed Huston's testimony before the Committee that he had been supplied written material by the Agency. I outlined for Hogan the information relayed verbally to Chairman Nedzi concerning the [REDACTED] Hogan told me off-the-record that the Committee is gearing up for a review of the material furnished by the many witnesses on the Watergate for probable publication. We will probably be requested shortly to review our transcripts and the documentation furnished the Committee.

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7. (Secret - JGO) Met with Ralph Preston, House Appropriations Committee staff, and gave him Copy No. 14 of the IC briefing paper dated 11 July 1973. I also gave Preston the fact sheet on the sale of Air America. I reviewed with him very briefly the Speas Study. In response to his questions, I brought Preston up-to-date on the status of the Colby confirmation. I also briefed him on our posture in Cambodia. He seemed to take it in stride and said the news items were not of concern to his members from anything he had heard so far. As an afterthought, Preston asked me to ascertain what disposition will be made of the proceeds of the Air America sale. [REDACTED] OGC, has been advised.

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8. (Unclassified - JMM) Called Senator Strom Thurmond to urge his presence and assistance at this afternoon's confirmation hearing on Colby. He said he would be glad to be helpful.

9. (Unclassified - JMM) Called Senator Barry Goldwater to ask his participation this afternoon in the Colby confirmation hearing. He said he would be happy to be of assistance, remarking that Senator Kennedy's opposition should be a plus for Colby.

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HEARINGS
ON
COST ESCALATION IN DEFENSE
PROCUREMENT CONTRACTS
AND
MILITARY POSTURE

H.R. 6722

TO AUTHORIZE APPROPRIATIONS DURING THE FISCAL
YEAR 1974 FOR PROCUREMENT OF AIRCRAFT, MIS-
SILES, NAVAL VESSELS, TRACKED COMBAT VEHICLES,
TORPEDOES, AND OTHER WEAPONS, AND RESEARCH,
DEVELOPMENT, TEST, AND EVALUATION FOR THE
ARMED FORCES, AND TO PRESCRIBE THE AUTHOR-
IZED PERSONNEL STRENGTH FOR EACH ACTIVE DUTY
COMPONENT AND OF THE SELECTED RESERVE OF
EACH RESERVE COMPONENT OF THE ARMED FORCES,
AND FOR OTHER PURPOSES

BEFORE THE
COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES
NINETY-THIRD CONGRESS
FIRST SESSION

[PART 2 OF 4 PARTS]
[INDEX IN PART 4]

HEARINGS HELD MARCH 28, 29, APRIL 10, 11, 12, 16, 17,
MAY 1, 2, 3, 8, 9, 10, 11, 14, 15, 16, 17, 18, 21, 22,
23, 24, AND JUNE 5, 6, 7, 8, 14, 1973



[The following information was received for the record:]

Transfer of Excess U.S. Material (Supplies and Equipment to South Vietnam)—Fiscal Year 1965-72

[Initial acquisition value in millions of dollars]

Fiscal year 1965-67	93.9
Fiscal year 1968	49.1
Fiscal year 1969	59.1
Fiscal year 1970	110.9
Fiscal year 1971	137.6
Fiscal year 1972	217.4

Mr. SLATINSHEK. We discussed fiscal year 1973. Can you give the fiscal year 1974 budget costs?

Mr. HESSLER. Yes. The President's budget included \$2.9 billion as the total incremental cost of our operations in Southeast Asia.

Included in that \$2.9 billion is \$1,870 million for MASF and \$1,041 million for support of U.S. force operations in Southeast Asia.

Mr. SLATINSHEK. The \$1,041 million, does that include support for the Cambodian bombing? In other words, U.S. activities over Cambodia?

Mr. HESSLER. Yes, it would include that.

Mr. SLATINSHEK. Where would those moneys appear in the budget?

Mr. HESSLER. They would be spread between the military personnel and the O. & M. appropriations, and to a degree in the ordnance accounts to the extent we used air ordnance in those operations.

Mr. SLATINSHEK. You had indicated that in the fiscal year 1973 budget we had allocated moneys through the CIA for Thai forces and Laos irregulars. Can you give us a similar breakout for fiscal year 1974?

Mr. HESSLER. In 1974 we plan to transfer \$64.9 million to the Central Intelligence Agency for support of irregular forces in Laos.

Mr. SLATINSHEK. None of those CIA moneys appear in this authorization of \$2.1 billion?

Mr. HESSLER. Yes, the \$64.9 million is included in the \$2.1 billion.

Mr. SLATINSHEK. I see.

Can you tell us whether your budget figures here are going to be affected by the devaluation of the dollar?

Mr. HESSLER. I don't anticipate any significant adjustment to these figures as a result of the devaluation.

Mr. SLATINSHEK. Is this primarily because most of these expenditures will be made in the United States for the purchases of hardware or rations, food of one kind or another?

Mr. HESSLER. That is true.

Mr. STRATTON. One question here I would like to repeat again, if I could, for Mr. Doolin, and anybody else that can answer it.

I raised this earlier myself. I am a little troubled by the query of Mr. Dickinson, and also to some extent by Mr. Jones. Mr. Dickinson is saying in effect, Vietnamization has worked, our troops are out. They are on their feet. Why do we need any additional money?

Mr. Jones says this is all replacement, and Mrs. Schroeder indicates there hasn't been much stuff lost so far, why do we have all of this money to replace things that don't need replacement?